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ABSTRACT

The interactions of student financial aid offices with other campus offices, government agencies, and private groups are described. Campus groups that interact with the financial aid office include the following: campus veterans affairs office, student affairs office/dean of students, recruitment staff, campus registrar, chief executive officer, payroll office, loan collection office, the executive board, data processing center, deans and academic departments, controller, and admission office. The interactions of the financial aid office with the student services and student employment groups are also addressed, including student government, campus housing office, systemwide administration, student employment and placement offices, and off-campus employers. The aid office also deals with federal, state, and local government offices, including federal need analysis processors, federal and state legislatures, the U.S. Department of Education, and social welfare agencies. Attention is also directed to interactions with scholarship committees and other financial aid services, private scholarship donors, parents, high school counselors, the news media, and auditors. Finally, objectives of the "Audit Guide" of the Department of Education are identified. (SW)

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THE INTERACTIONS OF THE STUDENT AID OFFICE

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Prepared for the National Commission on Student Financial Assistance

April 30, 1983

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INTRODUCTION

The material presented in this paper describes the interactions of student financial aid offices. Depending on the institution in which it is situated, the size and diversity of the student population it serves, and the responsibilities delegated to it, a financial aid office may perform any or all of the functions described in this paper. The amount of time involved in these interactions also depends on numerous local factors. However, when taken in combination, they represent a considerable portion of the work performed by the aid office and the time used by aid office personnel.

The interactions of aid offices take place between other campus entities; state, local, and federal governments; and others. The material presented in this paper has been grouped into sections according to the nature of the outside party with which the aid office interacts.

Chapter 1

CAMPUS OFFICES AND DEPARTMENTS

Overseas (Study Abroad) Programs

The financial aid office and the Study Abroad office work together to determine the cost of attendance for those students who are financial aid recipients participating in overseas programs. In addition, the Study Abroad office acts as a liasion between the overseas institution and the home campus and is responsible for notifying the financial aid office if a participant(s) is experiencing financial difficulties abroad.

Students who participate in study abroad programs have frequent difficulty with the delivery system. These problems are, more often than not, further complicated by international mailing systems, emergencies of all descriptions that require immediate infusions of money to the student, and language barriers.

Campus Veterans Affairs Office

The campus veterans affairs office is responsible for certifying attendance and processing of some checks for veterans attending the institution. In addition, this office monitors the academic progress of veterans in attendance according to standards established by the Veterans Administration. This office is also responsible for disseminating information concerning its activities and for counseling potential and current recipients of veterans benefits in areas related to their eligibility and the application processes. At many institutions, the veterans affairs office is a unit supervised by the financial aid administrator. This working relationship simplifies the responsibility for coordinating resources of veterans who also receive student financial assistance funds.

The Veterans Affairs Office has the responsibility for validating dependents of enrolled students, enrollment status, satisfactory academic progress, and benefits received. On occasion, the financial aid office is involved in problem resolution between the Veterans Affairs Office and the Veterans Administration office. More often than not, these occasions arise during resolution of VA audits.

Student Affairs Office/Dean of Students

On page 12 of the National Association of College and University Business Officers' publication, Management of Student

Aid, it states that, "The Student Affairs Office should be involved in the general plan for enrollment and financial aid at the institution. As the office directly responsible for the well-being of students outside the classroom, it should participate actively in planning and should transmit essential information to and from currently enrolled students."

In addition to this role, at many institutions, the student affairs administrator supervises the management of the financial aid office. In these instances, it is essential that the financial aid administrator maintain a close working relationship, since the student affairs administrator will often represent the interests of the financial aid office in broad policy discussions which occur within the institution.

Recruitment/Outreach/Relations with School's Office

This staff is usually closely associated with the admission office. It must work closely with the financial aid office to:

- Acquire the necessary informatior and forms to disseminate information to students and counselors in the field.
- Assist students and parents in completing the application and other documents required to receive financial aid.
- Train high school counselors so that counselors can correctly inform students concerning the institution's aid programs and procedures.
- Conduct high school and parent workshops on financial aid.

The relationship between the financial aid office and the recruitment staff differs from institution to institution depending on type of institution, location, and size. In many smaller, private-nonprofit schools, alumni play a large role in the recruitment effort. In many proprietary schools, a sales/marketing force is responsible for recruitment and oftentimes their perceptions of the role of the financial aid office result in creating a less-than-accurate level of service expectation in the minds of the student and parents. Larger, particularly public funded, schools have outreach offices responsible for recruitment, and in some instances members of these staffs have financial aid backgrounds/experience.

Financial aid office/recruitment office problems are typically:

1. Recruitment staff minimize the difficulty of the financial aid processes and overstate the availability of funds.
2. Recruitment staff are not technically to do more than present a brief overview of financial aid processes.

3. The financial aid office is not sufficiently staffed to participate in external presentations on a regular basis.

In too few instances, the recruitment office and the financial aid office compare scheduled activities and coordinate the involvement of both staffs so that students and parents, either individually or in group presentations, receive both a sound sales presentation on the benefits of attending a particular institution and an accurate description of the financial aid application/ processing/awarding cycle.

Campus Registrar

The office of the campus registrar houses the official enrollment and academic performance records of students enrolled at, or who have been enrolled at, the institution. These records include enrollment status (part-time, full-time), class schedules, grade-point-averages, information concerning recipients of veteran's and/or social security educational benefits, and class standing.

State and federal loan and grant programs require at least annual reviews of enrollment status of participants in various programs. For those students who are no longer in attendance, the institution is required to report the last date of attendance so that, for instance, an accurate grace period can be determined for a student participating in a loan program. This information is found in the registrar's files and at many institutions the registrar, not the financial aid administrator, completes such reviews and reports the findings to appropriate agencies.

This office also has the responsibility for monitoring and providing data on enrollment trends, short-term and long-term enrollment projections, and information relevant to attrition and retention of enrolled students. These data all impact the management of student financial assistance programs.

Records maintained by the registrar can make scholarship applicant review a much simplier process, in that demographic information such as hometown, academic objective, sex, ethnicity, academic achievement, and class standing are more often than not criteria for scholarship selection.

In addition, the registrar's office is the official source of enrollment data that must be reported to HEGIS in support of information submitted annually on the institution's application for federal funds.

The financial aid office and the Registrar work closely to develop and enforce a well managed system to monitor and enforce satisfactory academic progress standards. Accurate, timely data must be made available to the financial aid office to assure that funds are not disbursed to students who are in violation of the institution's satisfactory academic progress standard.

Chief Executive Officer

The chief executive officer, whether he or she be president, chancellor or owner, impacts the financial aid office by establishing and enforcing the institution's commitment to the appropriate administration of student financial aid programs. It is the chief executive officer who enters into the agreement with the Secretary of Education whereby the institution pledges its support of statutes, regulations, and procedures for administering Title IV programs. He or she is the institution's image maker and his or her commitment to financial aid has a direct impact on fundraising in support of financial aid programs. In addition, his or her reputation and stature make him or her an ideal lobbyist for legislation that will enhance appropriations in support of financial aid.

A typical problem that exists in large and small, public and private institutions is the excessive layers of bureaucracy between the financial aid office and the chief executive. These layers, more often than not, are occupied with administrators with little or no knowledge of the role financial aid plays in the academic and fiscal success of the institution, and decisions they make or don't make contribute to the placing of financial aid needs at a lower priority level than is often acceptable.

Campus Planning Office

The campus planning office interacts with the financial aid office in allocating space, planning budgets, developing commitments or plans for funding institutional financial aid programs, and assisting in the acquisition of equipment and other major purchases.

Campus Personnel Office

The campus personnel office is responsible for job classification, salary administration, grievance resolution, personnel policy establishment and interpretation, position upgrading, and hiring. At some campuses, the personnel office performs these duties on behalf of regular institutional employees as well as student employees. At campuses that have a separate student employment office, the policies, procedures, and responsibilities usually parallel the larger personnel office and, more often than not, the student employment office is an adjunct activity of the campus personnel office.

Campus Postal Center

Vast quantities of mail come and go to and from the financial aid office daily. The finanaical aid office sends application data to applicants, follows up on incomplete application information, receives computer-generated preliminary need analysis documents, sends information and award letters to recipients, and maintains

contact with nearly all financial aid recipients through the mail. The mail room assists with prompt delivery of bulk mail and by assisting the financial aid office in developing mail practices that allow the aid office the use of lower mail rates when possible.

Campus Payroll Office

The campus payroll office assists in developing an appropriate rate of pay for student employees participating in work programs financed through financial aid funds. The campus payroll office also pays financial aid office staff as well as student employees.

An important part of the interaction between the financial aid office and the campus payroll office is the monitoring of student work earnings. Usually students can only work a certain number of hours per week during regular academic terms, and they are restricted to earning a specific amount of income. Students who work more hours per week than is appropriate often do not accomplish as well as as they otherwise would in class, and students who earn more than their allotment cause the financial aid office to repackage their financial aid award. Without a closely coordinated effort between financial aid and payroll, monitoring of these aspects of the student work programs would be impossible.

Though some institutions have a separate work-study office that administers the student payroll system, most institutions see that type of organization as a duplication of systems and can permit endless accounting errors and audit exceptions.

Loan Collection Office

The campus loan collection office is responsible for collecting long- and short-term loan funds so that the collections can be returned to loan accounts that are used to assist other financial aid recipients.

A natural relationship exists between these two offices because of the due diligence required for successful loan collection. The financial aid administrator must exert a great deal of control over processes related to loan counseling (entrance and exit interviews), the correct completion of promissory notes, and the creation of an awareness in the students that he or she is being issued a loan that must be repaid. When the student ceases to be enrolled as at least a half-time student, the financial aid office transfers all information relevant to the loan(s) to the loan collection office. The loan collection office then carries out the remaining due diligence procedures, including billing, collection, skip tracing, and assigning defaulted notes to commercial collection agencies or the Department of Education if appropriate.

The loan collection office also provides the financial aid office with long- and short-range projections of collections so that

the financial aid office can project expenditures for future financial aid recipients.

In addition, the loan collection office provides essential data for reports of loan recipients, repayment trends, delinquency rates, and default rates.

The loan counseling which includes entrance, mid-term, and exit interviews takes various forms, depending on the intricacies of the particular loan program. The most common programs (GSL, NDSL, HPSL) each have different application procedures, eligibility requirements, disbursement procedures, grace periods, interest rates, and repayment conditions. Many institutions have their own loan programs with still different characteristics. The aggregate demands of the various programs make loan counseling a complex but highly important issue.

Loan offices are usually combined, in some fashion, with the fiscal office due to the cash flow nature of the collection function. Usually the collection office is distinct from the financial aid office as a matter of institution organization and structure and most financial aid administrators do not possess skills related to collection activities.

Billing and Collection Agencies

Billing agents assist the institution in fulfilling due diligence requirements of the National Direct Student Loan program, Nursing Student Loan program, Federal Insured Student Loan program (if the institution is a participating lender in that program), and institutional loan programs. Collection agents provide their services when borrowers under these programs default their repayment agreements.

These agents usually charge a per student fee for billing and a percentage of collection fee for collections. The collections fee, typically, is 33 percent for first time collection efforts and 50 percent for referred collection efforts after the initial effort has failed.

These services are usually contracted due to the unique abilities that must be possessed by one occupied with collecting delinquent accounts, through some small schools with small loan programs have developed sophisticated billing/collection staff and systems of their own.

Graphics

Proper administration of the financial aid office creates a substantial demand for printed materials. Therefore, the financial aid office must work closely with the graphics office in developing clear, professional-quality materials for student financial aid

applicants and recipients. Some of the materials produced are consumerism documents, brochures, award letters and award letter explanation booklets, and application materials for financial aid and scholarships. The financial aid office also uses a multitude of forms which must be developed and printed in support of operational functions of the office. These forms are, typically, for determining student eligibility, determining student need for financial assistance, award packaging, and data entry.

More frequently than one would suspect, printed materials must be developed immediately to meet changing federal and/or state requirements. A positive working relationship between the financial aid office staff and the graphics office staff can provide these new materials with a minimum of interoffice conflict or friction.

Executive Board

The executive board of the institution, whether it be made up of directors, trustees, regents, or owners, makes decisions which, without consultation with the financial aid administrator, might have a deleterious effect on the management of the student financial assistance program. This group, or a committee within it, determines the organizational structure of the institution, including the relationship of the financial aid office to other offices within the institution's structure. The board sets general policy for the institution concerning major issues and sets priorities for use of financial aid funds and approves operating budgets. They set the level of tuition and fee payments; payments which, in many instances, will be paid through financial aid funds received by students. More enlightened institutions gather as much information as the financial aid administrator can provide concerning potential increases and/or decreases in state, federal, and donor support prior to establishing a tuition and fee level.

Since this group is usually composed of leaders in the fields of education, business, finance, and government, members also involve themselves by interacting with the highest levels of government in lobbying for legislation that will be beneficial for the survival and growth of the institution.

Cashier

The cashier's office is usually the recipient of that portion of student financial assistance that pays tuition and mandatory institutional fees. The student may pay cash, use a voucher, or have an account debited through a point-of-sales cash register. The cashier may also distribute financial aid checks to students and/or may cash financial aid checks for students.

Counseling Center

Though the financial aid office is primarily involved in financial counseling and the student counseling center staff assists the students by providing academic, vocational, and/or psychological counseling, it is not unusual that personnel in both offices find that the student may need the other office's assistance. It is, therefore, important that the counseling office and the financial aid office refer students to each other when it is appropriate to do so.

Cooperation between these two offices is particularly important during crises intervention. Students being interviewed by the counseling office may be revealing financial stress psychologically. Vice versa, students being interviewed by the financial aid office staff may reveal the need for psychological intervention as a manifestation of financial difficulties. In either case, a close working relationship betwen these offices enhances resolution of student difficulties.

Data Processing Center

The data processing center is becoming an increasingly importnat unit with which the financial aid office has a close working relationship. The data processing center assists the financial aid office in developing and maintaining an automated management information system, one which may package financial aid awards, produce computer-generated award letters, maintain fund balances, accumulate data for year-end reports, prepare loan billings, and generate individual student or program reports. The data processing center also assists by developing an effective system which helps to coordinate data from other institutional administrative units, such as the registrar, the admission office, and controller's office, etc. Such system development reduces the need for collecting duplicate information and insures that proper controls are maintained between offices.

Poor planning plagues the development of sound financial aid management information systems. The financial aid office, in many instances, is unable to articulate their needs in a manner that is understood by computer center staff. The computer center staff often makes erroneous assumptions about what information and reports the financial aid office "really needs."

In addition, the financial aid management information system must be integrated with the admissions system, the registrar system and the fiscal/general ledger system. Though the relatively obvious need for on-line data manipulation of financial aid information exists, financial aid is usually given a low priority when computer center priorities are assigned.

Budget Office

The budget office manages the institutional budget process, determining the allocations for institutional aid programs, providing matching funds for the National Direct Student Loan program, the College Work Study program, and the Nursing Student Loan program, and providing funds for the financial aid office's operating budget.

The financial aid administrator must work closely with budget office staff so that they will recognize some of the unique needs of financial aid office staff, such as travel expenses for training and workshops, conference expenses, and membership fees for professional organizations.

Deans and Academic Departments

The financial aid administrator's primary interaction with deans and academic departments is in the areas of student employment and scholarship recipient selection.

College Work Study participants are employed in the academic departments and perform duties from clerical to academic support, including instruction, testing, grading, tutoring, and otherwise assisting students and faculty in meeting classroom objectives. In addition, College Work Study participants assist departments in meeting their day-to-day management objectives by providing subsidized employment which increases departmental production. In recognition of this, some institutions require the academic departments to provide the 20 percent matching share that, along with the 80 percent federal capital contribution, provides the College Work Study payroll fund.

Academic deans and faculty members usually are active participants in the scholarship applications, ranks the applicants, assigns various scholarships to specific students and participants in setting standards and procedures to implement these programs.

The Scholarship Committee is usually composed of a combination of faculty and financial aid office staff. The committee usually meets biannually. Typically, the selection of scholarship recipients takes place during the winter quarter/fall semester.

At some institutions, academic departments make their own departmental awards to students, recognizing scholastic promise and/or achievement. These awards must be closely coordinated with the financial aid office to satisfy the legal requirements against overawarding students who also receive federal and/or state financial assistance.

The responsibility for developing the annual student award budgets for the various student categories is the financial aid office's. The academic departments assist in the process by providing cost data for the books and supplies required for their offerings. These costs can vary greatly due to the variety of books and supplies for such disparate academic majors as history, physics, medicine, law, and vocational offerings.

Another key area where the financial aid office and the academic departments interact is in determining satisfactory academic progress standards. Historically, institutions have developed and applied academic probation and expulsion standards that may curtail the continued enrollment of students who do not meet the institution's standards for academic achievement. In 1978, the Department of Education mandated the development and application of satisfactory academic progress standards for recipients of Title IV funds. In order to minimize differences between procedures directing similar activities with somewhat different goals and levels of enforcement, financial aid administrators and academicians worked diligently to devise standards that satisfied both needs, yet, sometimes contained varied due process provisions.

Faculty and deans participate in advisory committees that play a role in developing financial aid policy and sit on committees that determine institutional budgets. In this role, academicians influence the management of financial aid by allocating space, determining salary levels, funding institutional financial aid programs, and determining the level of interdepartmental support provided for the financial aid program by the fiscal staff, data processing staff, etc.

Controller

The controller's office maintains the official fiscal records of the institution and is responsible for reconciling the accounts used by the financial aid office. Typically this is a complex activity which, at large campuses, can represent millions of dollars, hundreds of accounts, and tens of thousands of transactions. This reconciled data is then used to provide data for reports required by federal, state, and nongovernmental agencies.

The controller's office, in its simplest form, contains an accounts payable division and an accounts receivable division. The accounts payable division is responsible for generating checks for payment of financial aid to student recipients. The volume of checks produced for recipients often makes the financial aid office one of the largest users of the accounts payable division. A positive relationship between the accounts payable staff and the financial aid office staff is most critical in this process, especially in meeting the emergency check needs of students. Additionally, the accounts payable division monitors expenditures to assure that financial aid accounts are not overdrawn.

The accounts receivable office is responsible for receiving all funds for the financial aid/scholarship programs. Funds may be received in vast amounts, as through the Ed Payments system for Title IV funds, or in minute amounts from private donors and high school scholarship award units. The accounts receivable office must, therefore, be cognizant of the immediate and long-range need for financial aid funds and the processes whereby this money comes to the institution. A close working relationship between accounts receivable staff and financial aid office staff is critical for success.

Admission Office

In support of the financial aid awarding process, the admission office provides various data to the financial aid office. That data includes, but is not limited to:

- o demographic information;
- o admission status;
- o prior academic performance;
- o prior postsecondary institutions;
- o admission test scores;
- o high school identification;
- o student interest in financial aid; and
- o eligibility for special programs.

This data is critical in that it assists the financial aid office in identifying potential financial aid/scholarship recipients, providing consumerism information, ranking scholarship applicants, and providing data for reports.

The admission office staff plays a very important role in the area of financial aid office information dissemination. In fulfilling their recruitment role, they can either assist parents with the preparation of financial aid application materials, or they can refer applicants to members of the financial aid office staff who have this responsibility. In addition, some institutions include financial aid and scholarship information along with mailings of admission applications.

Admission office staff members may be involved in setting institutional policy for awarding merit scholarships and may sit on scholarship committees.

Organizationally, a considerable number of financial aid administrators report to the admission officer, though more often

than not, the financial aid administrator and the admission officer are peer-level managers. Obviously, in those institutions where the financial aid officer reports to the admission officer, the admission officer plays a much larger role in determining award strategy, procedures, staffing, budgeting, etc.

Chapter 2

STUDENT SERVICES

Student Government

Student government organizations, campus, statewide, regional and national, play an increasingly important role in the administration of student financial assistance programs. During the development of the Education Amendments of 1980, student government organizations presented meaningful testimony to Congressional committees which contributed to the shaping of the Amendments.

On campus, the student government organization appoints representatives to the financial aid advisory committee, the student appeal committee, and in some cases, the scholarship committee. It lobbies for student positions on financial aid issues, sometimes provides scholarships, often provides input to higher levels of authority through membership on campus governance committees, and acts as a potent mediator between the student body and the financial aid office.

The student government representative can assist the financial aid office in many ways, from information dissemination to problem resolution. In addition, positive input from student government representatives can assist the institution in determining and arriving at goals that are mutually beneficial to the student body and the institution as a whole.

Campus Housing Office

The campus housing office receives a substantial portion of its income from financial aid recipients who live in campus dormitories or apartments, or who live in off-campus units contracted for by the campus housing office. Since housing cost is a critical element in the student financial aid award budget, a great deal of coordination and cooperation is necessary between the financial aid office and the housing office. This cooperation often is made difficult due to the propensity of students who want to room with a friend or to upgrade their existing accomodations. Such changing of accomodations often results in a cost adjustment in the housing office which then calls for modification of the student's financial aid award budget.

At some campuses, a subdivision of the campus housing office provides data on available off-campus student housing and works with landlords to assure that a reasonable fee is charged for such

accomodations. As with on-campus housing, the cost of off-campus housing for student financial aid recipients ia a part of the student financial aid award budget.

Campus Health Center

Providing and/or contracting for helath care costs for students is a function of the campus health center. In some instances, fees for contracted health care programs become a part of a student's financial aid award budget. The campus health center often refers students to the financial aid office if it is determined that the cost of care for a particular student may create a financial inability for the student to continue in attendance. In other cases, the financial aid office will refer students to the health center if it is felt that the health center can offer a more economical solution to the student's health needs.

Campus Food Service

The campus food service office collects a sizeable portion of the funds awarded to student financial aid recipients. These funds may be paid in cash by the student or charged against the students' accounts for those who contract for meals. The campus food service office determines the cost for meals and assists the financial aid office by developing their part of the "room-and-board" section of the student financial aid award budget. In addition, they sometimes refer students without adequate resources of their own to the financial aid office for assistance.

Faculty

Faculty serve on budget committees, financial aid office advisory committees, student appeal panels, and scholarship selection committees. They also assist by disseminating information to students, writing recommendations for scholarship applicants, and referring students with particular needs to the financial aid office, if appropriate.

Ethnic Student Centers

Many institutions have established ethnic student centers whose primary role is to positively interact with the administration on behalf of the constituency they represent. These centers provide referral services, counseling, information dissemination, and other needed services, sometimes in an organizational structure that parallels the larger administration. More often than not the centers involve themselves in mediating differences between individual students and administrative units, and the financial aid administrator is one of the prime administrators with which this interaction takes place. Particularly, these centers inform the financial aid office of any personal, financial, and/or academic situations that may bear upon the students' satisfactory completion of academic objectives, and assist the financial aid office with scholarship selection and satisfactory academic progress enforcement.

Campus Bookstore

The campus bookstore receives a substantial amount of revenue from student financial aid recipients. At some institutions, financial aid recipients can charge books and specified supplies via a voucher system. The bookstore then submits the vouchers to the accounts payable division and receives payment. At other institutions, those having sophisticated data processing systems, point-of-sale cash registers automatically debit bookstore purchases to student accounts.

The campus bookstore provides data that assists in the development of reasonable books and supplies allowances for financial aid recipients.

Systemwide Administration

In various states that support a college and/or university system, a systemwide administration office is often established. Among other responsibilities, this unit may be responsible for the coordination of multiple-campus environments; staffing, or recommending staffing levels for financial aid offices; developing automated data processing systems that support the day-to-day administration at campuses and also meet reporting requirements of the central unit; developing, or assisting in the development of financial aid office operating budgets; development of policy and procedure; developing or assisting in the development of student financial aid award budgets; lobbying, on behalf of the financial aid administrators, with boards of directors and/or trustees and regents; and apportioning, or participating in the apportionment of system funds designated for student financial assistance.

Students

Students are the primary beneficiaries of the effort of the financial aid office staff. In addition, they are responsible for completing the application process, supplying required follow-up information, forms and documents, signing promissory notes, picking up their aid disbursements in a timely manner, participating meaningfully as employees in campus work programs, advancing themselves toward the completion of their academic program in a timely fashion, and, eventually, repaying their student loans.

Chapter 3

STUDENT EMPLOYMENT

Student Employment Office

The student employment office has different responsibilities on different campuses. In its most rudimentary form, the student employment office is simply an office that posts jobs and refers students to prospective employers.

In its most complex and sophisticated form, the student employment office is responsible for all aspects of student employment including job classification and salary determination, job posting, placement, referrals, training, grievance resolution, job development, and the conduct of workshops that instruct students in the proper self-presentation to prospective employers. Many such offices are partially supported with funds made available through the federal Job Location and Development program, a part of the College Work Study program.

Since employment is one of the fund generators used to meet the needs of a financial aid recipient, the success of the student employment office is critical to the success of the financial aid office. In addition, this office involves the employers in the community with the needs of the institution and its students and this linkage may result in the hiring of graduates as well as contributions for financial aid work programs through the campus development office.

Campus Student Placement Office

The student placement office helps students find summer and/or term-time employment while they are enrolled and prepares them to seek and gain full-time employment upon completion of the student's degree or certificate program. The student placement office assists the financial aid office by securing additional employment opportunities for those participating in student employment programs and by developing and sharing currrent data on employment trends and salaries which may be used in counseling students in the area of long-term educational debt repayment.

Some interaction between the financial aid office and the placement office is mandated by Guaranteed Student Loan program regulations. These regulations require any school which is designed to prepare students for a particular career or vocation to provide prospective enrollees in that curriculum with a written statement

regarding the employment of students who have completed such programs. The information provided must include data regarding the percentage of previously enrolled students who entered positions of employment directly related to their program at the school and data regarding the average starting salaries of those students. In addition, student consumerism information regulations require the institution to specifically address the role of student placement as part of the obligation to inform students of academic and co-curricular activities.

Many campus placement offices put a great deal of effort in developing jobs in the local off-campus communities. In many instances these jobs in businesses, manufacturing firms, local governments, and financial institutions become the student's stepping stone into the job market after graduation.

Off-Campus Employers

Local business, finance, government, social, charitable, and political entities provide off-campus employment for qualified students. This employment can be for financial aid recipients participating in the College Work Study program as well as for those students with particular skills and specific career objectives who are not recipients of financial aid. This employment can be performed during the regular academic year or during summer vacation periods.

Depending on the particular management style of the institution, the financial aid office may or may not be involved in the actual placement of students with off-campus employers. If that function is assigned to the financial aid office, the activities of job development, referral, and assistance will be a part of the financial aid office's duties.

The financial aid office is responsible for identifying and coordinating all resources available to the student if the institution knows of the availability of the resource or could be reasonably expected to know of the resource. Thus, the resources of students placed in off-campus jobs through the campus placement office are always to be considered in constructing the student's financial aid package. One common practice employed in financial aid offices is the collection of students' IRS Form 1040s. Collection of the tax forms assists in accurate follow-up in the process of determining actual student resources from off-campus employers.

Chapter 4

STATE AND LOCAL GOVERNMENT

State Financial Aid Agencies

Legislatures that provide appropriations for student financial aid programs usually designate a state agency, commission, or association to manage the programs. Depending upon the particular legislative mandate, this agency determines eligibility criteria, selects recipients of state assistance, and monitors the adherence to program guidelines by participating institutions.

These agencies resolve policy issues among the various postsecondary educational segments in their state; conduct research on the effect of state student aid programs; recommend policies that provide a more meaningful and useful interaction between federal student aid programs and state programs; administer state Guaranteed Student Loan programs; lobby on behalf of increased appropriations for student awards; and recommend legislative changes that will enhance program management.

A major problem within the larger state agencies is their prioritizing the needs of their own state programs without always considering the needs of the federal programs or the needs of campus financial aid addministrators. In some instances this has resulted in complication, rather than simplification of the financial aid delivery system due to duplicate collection of information, requirements for additional forms and/or documentation, unrealistic application processing deadlines, and additional reporting responsibilities.

Penal Institutions

Various states have programs that afford inmates the opportunity of obtaining a postsecondary education that will prepare them for vocational employment or formal academic degrees. Programs of this nature can either be daily release programs where the inmate would leave the institution, attend classes, then return to the institution that evening, or, one in which attendance at a postsecondary institution might be a condition of parole or probation. The financial aid administrator, to the extent that funds are available, coordinates any assistance that a participant in such a program might receive from a state agency with institutional and federal funds so that educational expenses can be met and a modest but adequate standard of living can be maintained.

State Legislatures

State legislatures legislate and provide appropriations for student financial assistance programs. Such programs, usually, provide postsecondary education funding for residents of that particular state. In addition, state legislatures appoint committees and/or commissions to oversee those programs and hold hearings to determine the direction and effectiveness of the programs. Though the bulk of the financial aid administrator's involvement will be with the body established to oversee the programs, more often than not, financial aid administrators provide various information to legislators, especially those legislators representing the home district of the institution.

In some instances state legislatures cause major disruptions in the delivery system by deciding state funding levels for financial aid programs and setting tuition levels late in the award cycle. Awards that were made in April, May, and June may have to be completely revised because a legislature decided on budget and tuition levels in July, August, or September. This is further exacerbated when tuition increases are made late in the academic year, causing a wholesale revision of Pell Grant awards because of an increase in tuition assessments. The increased workload is duplicated due to the identical adjustments that must be made in fiscal offices, and more often than not, the adjustment process also takes its toll on inner- and inter-office cooperation and goodwill.

Social Welfare Agencies

Social welfare agencies, in some instances, provide postsecondary education funding assistance. Such assistance must be and is coordinated with any other financial aid funding provided to the recipient. In addition, as part of a broader coordination function, these agencies verify the amount of noneducational benefits being received by some financial aid recipients.

Support provided by social welfare agencies is often substantial. Thus, for coordination purposes, the financial aid office must be made aware of various payment levels so that overawards can be prevented. Though the requirement to consider such payments is clearly stated in regulations regarding the administration of financial aid, no clear standard has been established for the manner in which the award of financial aid affects subsequent social welfare agency payments.

Typically, social welfare agencies are overworked and they are not particularly responsive to the needs of financial aid offices. Thus, requests for information from the agencies become, or seem to become, a low priority item.

Vocational Rehabilitation Agencies

These agencies provide funds to assist in the retraining of persons who cannot continue in a previously acquired vocation, usually because of illness or injury. Benefits under this program include, to the extent that funds are available, assistance for tuition, fees, books, and necessary supplies. Such assistance must be coordinated through the financial aid office at the institution in which the retrainee is enrolled.

Local Government

The primary interaction between financial aid administrators and local government is in the area of job development. Local government provides term-time jobs for students who participate in the College Work Study program. Students fulfilling internship requirements in public administration and/or social science curricula are often provided work opportunities with or through local government agencies.

Chapter 5

FEDERAL GOVERNMENT

Need Analysis Processors

The primary role of need analysis processors is to collect, edit, process, analyze and report the eligibility of a student for financial aid funds based upon information submitted by the student/parent(s). This activity is typically supported by a fee paid by the filer to the need analysis processor. Need analysis processors who participate in the Multiple Data Entry process also provide selected items of information to the Pell Grant need analysis contractor if the student /parent(s) authorize the conveyance of their financial data. In addition, need analysis processors conduct research on trends, conditions and characteristics of applicants; participate in the dissemination of information through brochures, pamphlets and monographs for students, parents and counselors; provide training workshops for financial aid office staff; and provide machine readable output in the form of computer tapes to institutions with automated data processing systems.

Pell Grant Processor

Using information provided by parents and students, and applying standards established by the Department of Education and approved by Congress, the contracted Pell Grant Processor generates a Student Aid Report (SAR) that informs a student/parent and the postsecondary institution with information concerning elibility for participation in the Pell Grant program. In addition, this processor provides various follow-up services to applicants and provides reports to institutions and the Department of Education.

The major problem with a centralized Pell Grant processor is timing. Data is processed by the Multiple Data Entry processor (CSS, ACT), sent to the Pell Grant processor, then re-processed to generate the Student Aid Report (SAR). The processing of revised SARs due to validation/correction error is also done by the central processor and takes up a considerable amount of time. There is a great deal of thought among the financial aid community that the MDE processors provide accurate Pell Grant Student Aidd Indices and that Pell Grants could be awarded using only data reported on the CFAR/FAFNAR.

Bureau of Indian Affairs

The Bureau of Indian Affairs determines tribal eligibility for, and awards Indian Higher Education Grants to encourage Indian students to continue their education and training beyond high school.

These funds are used for tuition, required fees and books, and living expenses. The amount of these awards is coordinated with the financial aid administrator where the student is enrolled.

The Bureau of Indian Affairs is structured into regional offices. Usually the institutions and the students interact with these regional offices in determining elibility and processes.

Department of Health and Human Services

The Department of Health and Human Services provides funding for the Nursing Student Loan program, the Nursing Scholarship program, and the Social Security Student Benefits program. In the Nursing programs, the financial aid administrator applies for a federal capital contribution on behalf of their institution, awards those funds according to established guidelines, and submits annual fiscal operating reports. For the Social Security Student Benefits program, the financial aid administrator coordinates benefits received by a student through this program with other financial assistance received by the student, and oftentimes requests verification of the receipt of benefits from the local Social Security Administration Office.

Veteran's Administration

The Veteran's Administration administers the Veteran's Education Benefits program, delegating much of the administrative responsibility to campuses enrolling students eligible for those benefits. The Veteran's Affairs Administrator is often a staff member in or attached to the financial aid office. It is this person's responsibility to monitor attendance and academic progress of participating veterans. In addition, the Veteran's Administration audits participating institutions, certifies eligible educational programs, verifies the level of benefits received by participants, and provides a wide variety of information dissemination booklets, pamphlets, brochures and monographs.

Internal Revenue Service

Many financial aid offices require that parents and students submit completed IRS Forms 1040 so that adjusted gross income and other financial information critical to the need analysis process can be verified. In support of this critical function, the regional IRS offices are, at times, requested to provide certified copies of completed 1040 forms. In additon, IRS provides materials and staff assistance so that financial aid office staff can better understand complicated 1040 filings.

The Congress

The Congress enacts legislation and appropriates funds for Federal student financial aid programs. From time to time Congress also appoints commissions and other hearing groups to solicit information regarding the need for, as well as the outcomes of the

nation's investment in postsecondary education. In addition, Congress periodically directs the General Accounting Office to audit institutions to determine the appropriateness of the use of public funds through the audit process. And, various members of Congress participate as disseminators of student financial aid information through the distribution of brochures, leaflets and monographs that detail the various assistance programs - both Federal and non-Federal - and provide additional information regarding eligibility and the application processes.

Many institutions assign, at least in part, the responsibility of providing information to the Congress to the chief financial aid administrator. This input can be provided through the submission of written materials or personal appearance before commissions, sub-committees and/or committees. Input is also provided to the Congress through constituents, either as individuals or as members of an affected educational sub-group. In many instances this constiuent input is coordinated by an institution's financial aid administrator.

The most effective instance of financial aid administrator input to the legislative process took place during the development and enactment of the Education Amendments of 1980.

The process for developing the 1980 amendments began with the NASFAA Title IV Committee. This committee did a complete analysis of the existing programs and developed a position paper for review by the NASFAA National Council. Council spent a great deal of time and effort reviewing and modifying the recommendations and developed a final position paper.

Both the Senate and House subcommittees relied heavily on the NASFAA position paper in developing the amendments. Leaders in the financial aid community were called upon to review the amendments as they were developed and modified.

The Executive Director of NASFAA developed comparison studies of the Senate and House bills so that the subcommittees could better consolidate their objectives.

The primary point of participation was the complete utilization of the expertise available in the financial aid community, through NASFAA, to assure a student-concerned legislative act.

Department of Education

The Department of Education provides the bulk of funds administered by the financial aid office and adherence to regulations issued by the department takes up the bulk of financial aid office time. The department administers the following programs that assist undergraduate and graduate students in financing their educational objective:

- The Pell Grant program (PELL)

- The Supplemental Educational Opportunity Grants program (SEOG)
- The State Student Incentive Grant program (SSIG).
- The College Work Study program (CWSP).
- The National Director Student Loan program (NDSL).
- The Guaranteed Student Loan program (GSL).
- The Parent Loans for Undergraduate Students program (PLUS).

For each of these programs, financial aid administrators must determine elibility and award amounts, and assure the adherence to complex and varying program requirements.

The Department of Education issues and disseminates program regulations, instructional manuals, program administration guidelines, audit guides, student consumerism information and federal student aid application forms. Additionally, they providing training workshops and seminars and participate in workshops conducted at professional association conferences and conventions.

Department of Education Reporting Requirements

Various reporting responsibilities are integral to proper program administration. The Pell Grant program requires the filing of tri-annual Progress Reports and an annual Validation Roster. The campus-based programs (SEOG, CWSP and NDSL) require the filing of an annual Fiscal Operations Report-Application for Federal Funds. The GSL program requires bi-annual filing of Student Confirmation Reports.

Department of Education Payment System (EDPMTS)

Federal financial aid regulations afford institutions the privilege of drawing funds in advance so that payments can be made to, or on behalf of, student financial aid recipients. In order that the costs of such funds be kept to a minimum, institutions are mandated to request only those funds for which there is an immediate need and to return any excess funds to the Department as quickly as possible.

The financial aid administrator must work actively with the institutional fiscal office staff so sthat the institution can predict, with some certainty, the level of Federal funds needed to support the institution's financial aid payment system.

Depending on the level of all Federal grants and contracts, an institution may use either the ED Letter of Credit as a primary method of involvement with EDPMTS, or it may use the Recipient Cash Advance Request. Institutions whose annual advances aggregate at least $120,000 use the former system, and institutions whose annual advances aggregate at less than $120,000 use the latter.

Chapter 6

AUDIT

Internal Auditor

Though institutions are encouraged to audit financial aid office management annually, federal regulations require the performance of an audit at least once every two years. The internal auditing staff can perform this audit if it meets the standards of independence as defined by the U.S. General Accounting Office in its publication, "Standards for Audit of Governmental Organizations, Programs, Activities and Functions."

Additionally, this unit may be directed by institutional management to review specific areas of financial aid office management.

The cost of performing the required audits varies greatly with type and size of the institution. A small, self-contained proprietary school, for instance, might pay a minimal fee for this service. On the other hand, audits of larger and more universal educational institutions will cost considerably more.

The audit process, though necessary is often times disruptive to the daily operation of the financial aid office. In addition, the amount of time spent "educating" junior-level audit staff is sometimes inordinate. The lack of skill, Title IV program knowledge, and the inability to ask the right question often exerts an unnecessary level of pressure on staff during the performance of the audit.

Since the primary intent of the audit is to determine the fiscal integrity of the institution's recordkeeping system, the program administration side of the financial aid audit is sometimes not adequately observed. As a result, the audit is not a useful management tool for the financial aid administrator.

Auditors

Federal regulations require that an audit be conducted at each institution participating in Title IV student financial assistance programs. These audits must be conducted at least once every two years. Generally, the audit is to determine whether or not the institution is maintaining effective controls in respect to its management of the student financial aid programs; whether or not the financial reports provided by the institution contain accurate, reliable and useful financial information; and whether or not the institution is complying with applicable laws, regulations and Department of Education directives.

The AUDIT GUIDE, published by the Office of the Inspector General, Department of Education is specific in defining the objectives of the student financial aid audit. The audit is to determine whether

- The institution has established procedures for coordinating assistance provided under all Federal and non-Federal student aid programs in which it participates.
- c The institution has implemented and utilized financial and other administrative procedures and internal controls to effectively discharge management responsibilities and to protect the Federal interest.
- The institution has established and has followed policies and procedures to ensure that the funds being provided are being used only for the purposes set forth in the institution's agreement with the Secretary of Education and that the policies and procedures conform with applicable ED directives.
- The financial information submitted on the annual Fiscal Operations Report (ED Form 646), is reconcilable with the financial statements and submitted on a timely basis.
- The institution has documentation to support the enrollment data reported in its application for funding (ED Form 646).
- The Balance Sheets and related Statements of Changes in Fund Balances present fairly the financial position and changes in fund balances, in accordance with generally accepted accounting principles, and/or terms of agreement, applied on a basis consistent wioth that of the preceding year. Also, whether the supplementary statements are fairly stated in all material respects in relation to the basic financial statements taken as a whole.
- The institution has established a control and self-evaluation system intend to monitor and evaluate the programs to determine if their objectives are met.[1]

In support of this activity, the financial aid offoce has the primary responsibility for providing suitable working space and conditions; assuring all documents, procedure guidelines, records, files and supplementary information is readily available and/or accessible to the auditor; and providing clerical and staff assistance according to the provisions of the Letter of Engagement.

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[1]Department of Education, AUDIT GUIDE, CAMPUS-BASED SFA PROGRAMS, (1980), p. 4.

Chapter 7

SCHOLARSHIPS/FINANCIAL AID SERVICES

Student Peer Counselors

Student peer counselor programs came about as a result of the opinion that, in many instances, students can relate to and accept information provided by their peers at a higher level than the same or similar information provided by financial aid office professional staff. Student peer counselors advise on policy and procedures, participate in advisory committees, review publications, answer phones, conduct workshops and assist in processing financial aid paperwork.

Student peer counselors are an effective source of good public relations between the financial aid office and the student population, and the are an excellent addition to the office work force. Many of today's successful financial aid administrators were yesterday's student peer counselors.

Student peer counselors also help stretch the operational budget of the financial aid office when they are sued to supplement the regular staff and employed under the college work-study program.

Scholarship Committee

It is the responsibility of the scholarship committee to set standards for scholarship applicants and recipients. The committee reviews scholarship applications, ranks them according to the requirements of the particular scholarship requirements and, in some instances, assigns funds to selected students.

This committee is usually composed of departmental faculty and financial aid office staff so that receipt of a scholarship award can be coordinated with or integrated into the student's existing financial aid award package.

Scholarship committees are usually established at larger four-year public and private, non-profit institutions. At some institutions this committee works closely with the campus development office and provides meaningful information that assists in the solicitation of funds for financial aid programs.

Though the awarding of scholarships by the committee is closely coordinated with the financial aid office, the committee sometimes takes on the image of a mini-financial aid office in that it collects applications, evaluates the academic and extra-curricular activity of the student, and determines the level of funding if that is not explicitly pre-determined by the donor.

Financial Aid Advisory Committee

The financial aid advisory committee assists the financial aid administrator in the development, implementation and review of financial aid policies, procedures and practices. Members are usually students, fiscal office personnel, faculty, advisement staff, and admission office staff. At some campuses financial aid advisory committees are very active and meet frequently, while at others the group only addresses broad issues and meets infrequently.

Members of the advisory committee are, typically, among the more talented members of the group they represent and they play a vital role in developing a positive image of the financial aid office throughout the campus.

This committee is often given the responsibility for review of student appeal cases and recommends corrective action to the financial aid administrator, if appropriate.

Development Office

The development office has the most direct contact with alumni and other potential donors to the institution and is included in planning for the acquisition of financial aid resources. The development office is included in discussions regarding the amount and types of funds needed to maintain a viable student financial assistance program, then it becomes their responsibility to raise funds to support the activity. The development office works with donors in establishing scholarship selection criteria and keeps the financial aid office informed of significant changes in attitudes or perceptions of the institution that may impact on the level of success of the fund raising effort.

Private Scholarship Donors

Various business, social, political, financial, education and charitable persons, associations, foundations and agencies provide grants and scholarships for particular categories of financial aid recepients. It is a role of a financial aid administrator to interact with these donors so that the awards can be coordinated with other assistance the student may be receiving and so that the unique eligibility standards for receipt of the grants and scholarships is strictly enforced. In some instances, these donors hold social functions for receipts or their awards and the financial aid administrator is usually the institutional manager responsible for coordinating such events.

Alumni Organization

The financial aid office interacts with the institutions' alumni organization in a combined effort to raise funds for scholarships, grants, institutional loan programs and institutional work programs. In this respect, the alumni organization becomes an arm of the

institution's development/fund raising effort, providing revenue through personal donations, solicitations from other alumni, income from dinners, picnics and other social activities, and the provision of corporate "leads" to the institution's fund raising staff. The financial aid office also defines the types of funding needs it has and assists in developing criteria and standards for the distribution of student assistance raised through the Alumni.

CHAPTER 8

OUTREACH

Parents

In addition to paying taxes that provide funds for financial aid appropriations, parents attend workshops and counseling sessions that familiarize them with the financial aid application processes, complete the necessary documents and provide additional information that assists the financial aid administrator in determining student eligibility for funds, and perform an ad hoc review function of financial aid office policy and procedures.

Parents are still the primary force in the final selection of the institution the sibling will attend. Thus, a student oriented marketing approach that takes into consideration the role of the parent in financing postsecondary education (parents are the major source of support for educational costs if the student is dependent according to federal and/or state criteria) will usually be more successful than one which only considers the needs of the prospective student.

High School Counselors

The primary role assumed by high school counselors is one of information dissemination. Financial aid administrators and counselors from "feeder" high schools interact in the pre-admission phase of post-secondary recruitment. Institutions, either singularly or in conjunction with others, conduct seminars in early Fall to bring high school counselors current with financial aid changes. High School counselors then relay this information to parents and students and assist them in the processes involved in applying for financial aid. High school counselors, because of their prior contacts with parents and students, also provide information concerning exceptional family circumstances to the financial aid administrator where the student subsequently enrolls.

News Media

The news media, commercial or campus, acts as information collector and disseminator. It requests current newsworthy information from the financial aid administrator and disseminates that information to various publics.

In many instances, financial aid administrators use local media as a meaningful part of the information dissemination process.

Public Service announcements often advertise program offerings, deadlines, and the availability of a wide range of educational services provided to the community.

Postsecondary Education Institutions

When a student applicant for financial assistance indicates prior attendance at another college or university, the previously attended institution is required to forward a Financial Aid Transcript (FAT) to the institution in which the student is seeking financial assistance. This FAT is then analyzed to assure that the applicant has not exceeded cumulative statutory levels of assistance and that the student is not in default and does not owe repayment for a loan or grant awarded at the previously attended institution.

Professional Organizations

The National Association of Financial Aid Administrators (NASFAA), along with regional and state associations perform multiple essential tasks in consort with financial aid administrators. They provide training for new financial aid staff as well as experienced staff. They conduct research into the various aspects of student financial assistance. They disseminate a broad range of information to their various memberships. They act as an effective student advocate and lobbyist. They provide testimony to a broad range of governmental committees, commissions and agencies, and they hold annual conferences where topical subjects are discussed and significant participants in the financial aid arena have the opportunity to exchange views and solicit opinions.